VIDEO Interview: Camillo Rossotto, Avolta, Pt 1

Supply chain governance as it concerns the sustainable sourcing and traceability of brands is occupying an increasingly prominent role within the scope of Avolta's corporate strategy, its Chief Public Affairs & ESG Officer Camillo Rossotto has told TRBusiness.

Camillo Rossotto, Chief Public Affairs & ESG Officer, Avolta spoke to TRBusiness in a trade exclusive video interview.

The Member of Avolta's Global Executive Committee and former Chief Sustainability Officer and Chief Financial Officer of Autogrill spoke to this publication recently in a travel retail exclusive video interview.

Scroll below to watch the full part 1 exchange, airing as part of the fourth iteration of TR Sustainability Week (2-6 December).

*TR Sustainability Week is the DF&TR industrys only virtual event dedicated to sustainability, ESG and CSR – **click here** to access a raft of on-demand video content including dedicated panel discussions, Sustainability Pitch sessions and Sustainability Shorts video interviews. To find out more, visit **www.travelretailsustainabilityweek.com** and consult the dedicated TR Sustainability Week e-zine by **clicking here**.*

The global travel experience player has devised the 'Double Materiality Matrix', aligned closely to its Destination 2027 strategy.

The Double Materiality Index grades 13 key material matters, as Avolta describes, grouped into four focus areas that define its ESG strategy: Create Sustainable Travel Experiences, Respect Our Planet, Empower Our People and Engage Local Communities.

Of the 13 key material matters, four of these are characterised as the most consequential: Diversity, equity & inclusion'; 'Climate change, energy and emissions'; 'Sustainable sourcing & traceability'; and 'Supply chain management'.

These reflect the main challenges of the industry in which the company operates and where it has the opportunity to stand out, it believes.

Aligning retail ethics with brand values

With the landscape in DF&TR characterised by an increasing divergence of views and approaches when it comes to sustainability, TRBusiness asked Rossotto whether regulating the supply chain responsibly to ensure ethical alignment between Avolta and its brand partners represented the most difficult challenge for the retailer.

He responded by admitting his surprise that supply chain management and product traceability had indeed featured in the 'Top Materiality' portion of the matrix, which analyses the impact materiality (inside-out) that the company generates on the economy, environment and people; and financial materiality (outside-in) that identifies risks and opportunities that could positively or negatively disrupt its development.

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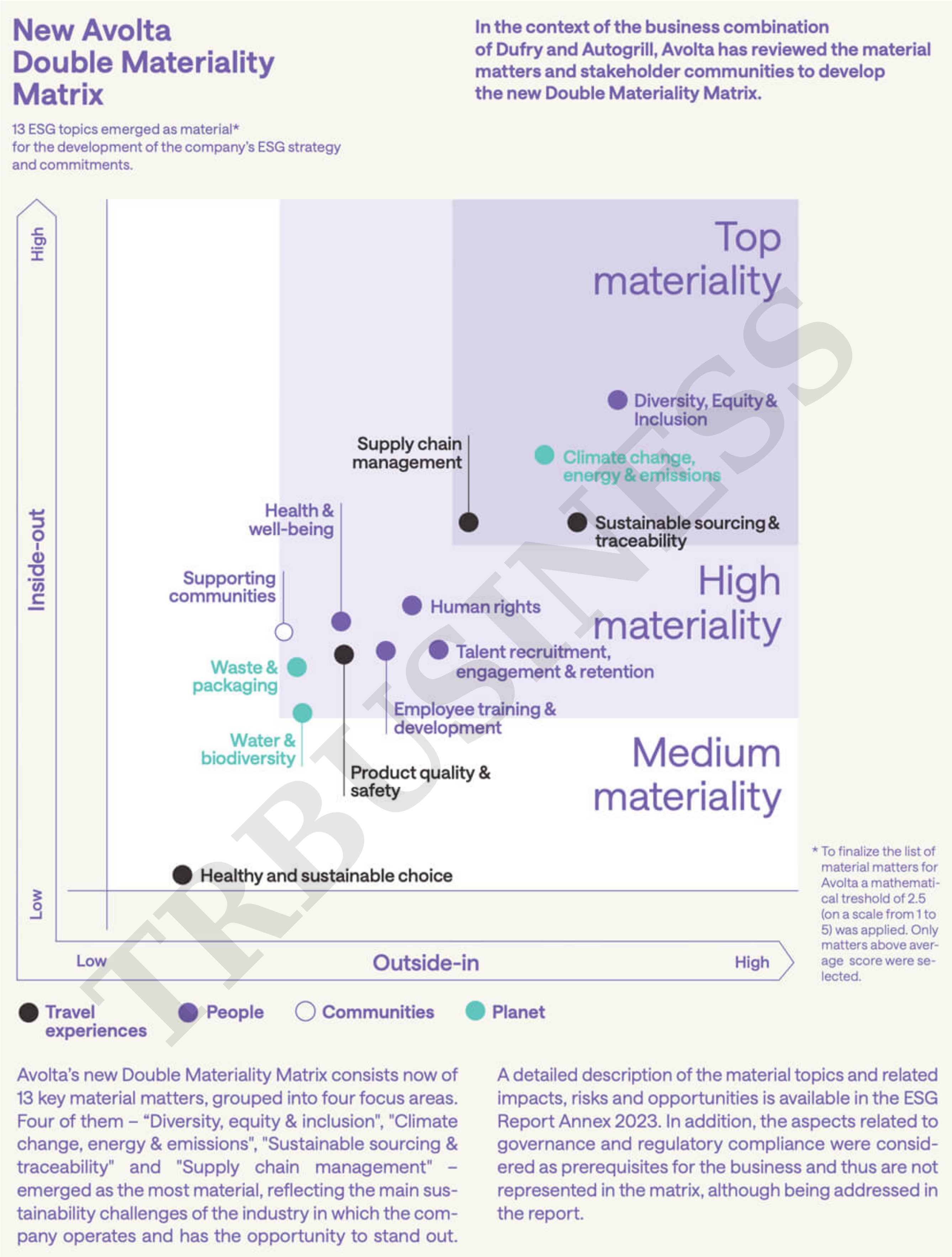
The Double Materiality Index is informed by an analysis to identify relevant matters in light of Avoltas business activities and expectations as it concerns its main stakeholders (investors, concession partners, customers, peers, brand partners and employees).

“Seeing that this part is so prominent – not in Autogrill, for example, where we had more social variables in the upper right quadrant – it really speaks to the DNA of what a retailer does. It chooses brand ‘A’ versus brand ‘B’ and adds to the conversation today [by asking] how much they are doing. We are really engaging with our suppliers.

Rossotto says that aside the importance of brand storytelling, economics and assortment, often used as barometers to gauge success for retailers, Avolta is sharpening its concentration on brands ethics – for example, their subscription to the Science Based Targets Initiative (SBTi).

Those types of variables and KPIs that were unknown to us have made it into the topline, which means we are really changing the culture of the people that work inside our company. Today, our global scope and local presence allows us to be significant in this dialogue.”



Aligning the interests of the business with sustainability relies on sharing operational data along the value chain with airports, airlines and brands, insists Rossotto. Pictured is the Double Materiality Matrix, which Avolta uses to benchmark its progress on ESG. Source: Avolta ESG Report

2023.

While flagging the increased scrutiny Avolta is placing on its supply chain operability as it concerns the high standards it sets for its brand partners to espouse the values of Avolta, Rossotto is nonetheless skeptical on the notion of imposing or prescribing specific conditions attached to marketing ESG.

It's been a period of rapid evolution for Avolta, the brand identify representing the Dufry-Autogrill business combination whose shares began trading on the SIX Swiss Exchange a little over 12 months ago.

During the course of an extended two-part exchange that took place during the recent TFWA World Exhibition & Conference in Cannes, Rossotto takes the opportunity to reflect on the scale of Avolta's transformation since the juggernaut entity was unveiled at last year's global travel retail summit in Cannes.

Camillo Rossotto, Chief Public Affairs & ESG Officer, Avolta: I view my role as Chief ESG Officer like Alka-Seltzer; I want to diffuse myself into the water and let the organisation drink out of it. It is not about creating an ESG function, it is about creating a culture.

A sense of great accountability

He describes the evolution of the business combination as a "chemical process", with Dufry and Autogrill possessing different yet complementary characteristics that together are more than the sum of the two parts alone.

That has been inspiring for public affairs and ESG, but also inspiring for me at a personal level, he explained. I moved from being the Chief Financial Officer and Chief Sustainability Officer of Autogrill to Chief of ESG and Public Affairs of the combined group.

Tasked with shaping and defining Avolta's CSR and public affairs function, Rossotto's importance cannot be overstated in a new era for the combined entity that will equally attract increased scrutiny from consumers.

He describes with candour a feeling of big responsibility in his duty to equally assess the constituent parts of the business entity – from F&B to travel retail – and communicate its sustainable developments in a way that speaks to the DNA of the combination.

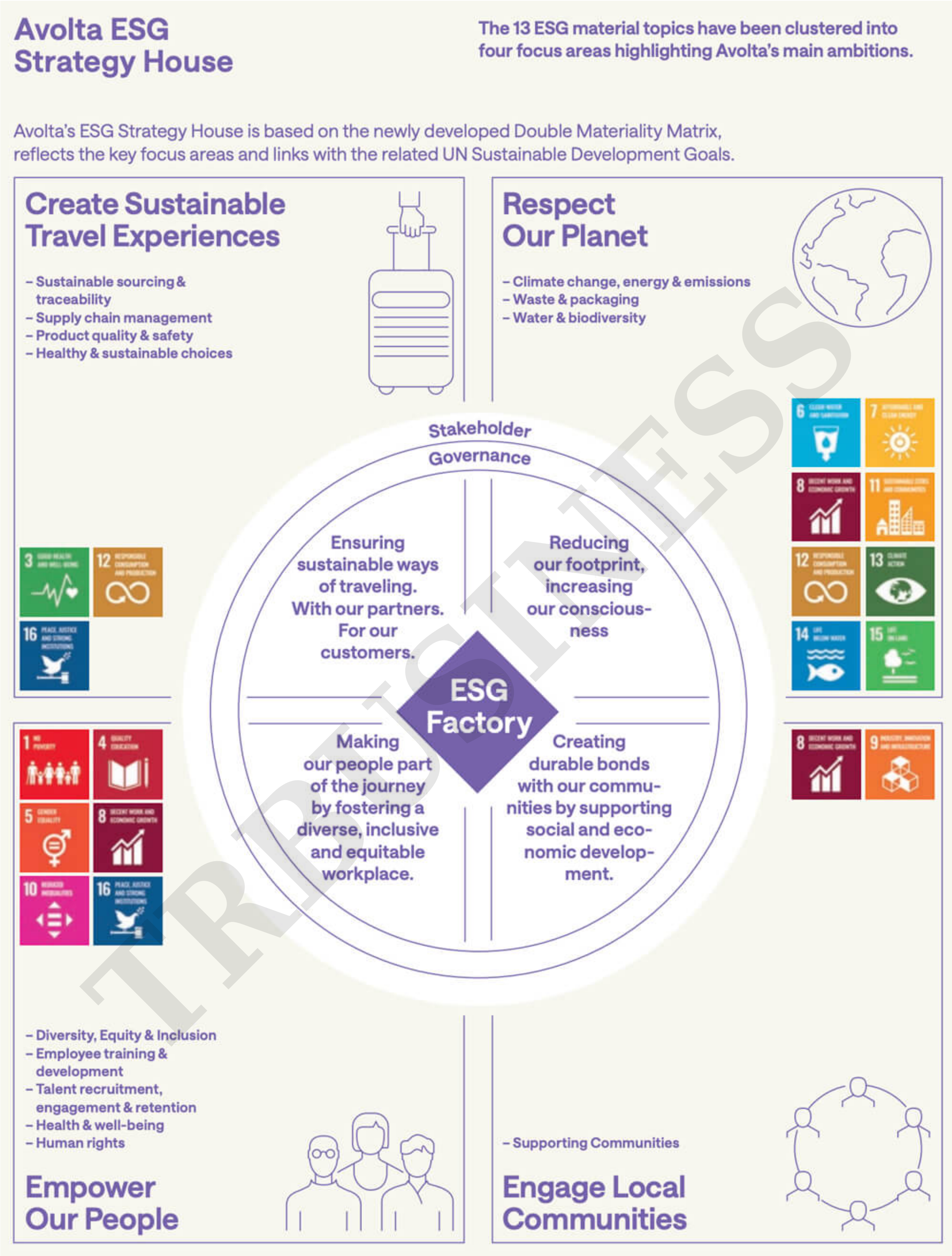
That very DNA speaks to Avolta's broad-reaching Destination 2027 strategy, with sustainability described as 'an inherent element' within this.

On environmental actions, Rossotto says Avolta's airport partners are actively engaged in sector-wide efforts to de-carbonise aviation, though he acknowledges the oft-perception of the industry as a major contributor to pollution as being greater than the reality *[it is broadly acknowledged that global aviation accounts for approximately 2-3% of global carbon emissions given air travel trips are disproportionate to population sizes, despite the increasing demand for travel – Ed].*

The aviation industry's 2050 net zero carbon emissions target involves a multi-collaborative effort. As such, Rossotto says Avolta's business development teams are involved in the design phases of project and operation management designed to home in on specific actions, such as tackling waste and working in close partnership with local communities, a vital source of recruitment for Avolta.

We believe in diversity – it is the precondition to be impacting with your customers, he continued. They are diverse by definition […]. The only way you can be emphatic and provide them with great service is if your people share the same values across the organisation.

Addressing the focus area ‘Create Sustainable Travel Experiences’, Rossotto says the approach punctuates the relationship it has with its brands partners and fostering responsibility across the supply chain through the stewardship of the ingredients it sources as a food retailer, from field to plate.



Avolta says ESG is an inherent part of its Destination 2027 strategy and contributes to the delivery of its financial and non-financial goals. In 2023, the ESG strategy was enhanced to full scope resulting from the completed business combination between Dufry and Autogrill, tying in their

former individual ESG strategies. Source: Avolta ESG Report 2023. Click to enlarge.

We think sustainability means different things to different people across the world, so you cannot be 'one size fits all', he insisted.

Sometimes you can connect the dots that go above and beyond sustainability per-se and get a good result in ESG. I view my role as Chief ESG Officer like Alka-Seltzer; I want to diffuse myself into the water and let the organisation drink from it. It's not about creating an ESG function, but a culture that permeates the way we operate, face our customers and deal with our people.

More detail on the material topics and related impacts, risks and opportunities within the Double Materiality Index are contained within Avolta's ESG Report Annex 2023.

Avolta operates in excess of 5,100 duty free, F&B and convenience points of sale at more than 1,000 locations in 73 countries.

Stay close to TRBusiness for the part 2 Video Interview with Camillo Rossotto, Chief Public Affairs & ESG Officer, Avolta.